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part of his duty to exploit these in a way that would furnish municipal reactionaries with a welcome store of ammunition. The new régime is declared to be good enough so far as it goes; but it doesn't go very far. It is but a first step in the right direction, awakening the interest of the citizen in his local government and inspiring him to demand more from his administrative superiors than he has been in the habit of getting. Other steps must follow, and no one who has ever read any of the New York Bureau's palpitating literature need ask what these steps ought to be. From most points of view, however, the volume is one that will impress its readers, especially those who want only to know the facts and are ready to make their own conclusions. Fair questions are raised and fairly answered. It is a scientific and sensible study, well worth the tedious labor involved.

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Intorno al concetto di reddito imponibile e di un sistema d'imposta sul reddito consumato. By LUIGI EINAUDI. Turin: Vincenzo Bona, 1912. 4to, pp. 105.

This essay deals with a theory of taxation based exclusively on the premise of equality. The author's point of departure is John Stuart Mill's classic formulation of that postulate (*Principles*, Book V, chap. ii, section 4). While arguing for the general principle of equality, the author yet takes issue with Mill as to the method of taxation whereby this principle may be subserved. It is pointed out that Mill's position in favor of taxing income and exempting savings involves technical difficulties in the nature of bookkeeping; it encourages and legalizes fraud; and introduces great inelasticity in the revenues. Nor does the current theory of taxation of the entire income satisfy our author, because it violates the principle of justice in many ways (pp. 18 ff.).

Having thus disposed of various theories of the income tax, the author turns to the more important work of constructing a theory of a tax on consumption which is destined to deal even-handedly with all classes of people. In this connection it is interesting to note some of his definitions of income and the nice distinctions which he draws between them (pp. 3 ff.). The two concepts of income which form the foundation stones of his theory are what Professor Irving Fisher would call psychic income (*reddito realizzato*) and money-income (*reddito guadagnato*). (Cf. Fisher, *Capital and Income*, pp. 103-4; 167-69.) A further distinction is made between primary and secondary expenditures (*consumi primari e consumi secondari*) from the point of view of psychic income.

These definitions are essential to the author's theory and it is by proceeding upon these, especially, upon the two kinds of psychic income (primary

and secondary), that he builds up the doctrine of taxation of consumers' goods as conforming to the principle of justice. It is to be observed also that he would exempt the "primary" expenditures from taxation, for these are to be regarded as savings from the point of view of the individual or of the welfare of mankind, *specie* (by which is meant the rearing of children for future economic usefulness; Cf. Mill, *op. cit.*, Book V, chap. 2, section 3). By doing this the author thinks to have escaped the difficulties involved in Mill's position and to have arranged for the automatic exemption of savings.

Without going into the details of the arguments, psychological, technological, social, and political, which the author adduces in favor of his theory, it may be noted that no little trouble will be encountered in attempting to differentiate between primary and secondary expenditures in practical affairs. The author admits, to be sure, that his theory, just in principle, suffers from difficulties of application; yet he is unduly confident of its solution. For practical purposes it may be true, in his words, that "the consumers' goods of primary importance have indeed almost always the characteristic of rigidity. Within certain limits of price-variations the demand is constant or even increases. . . . Quite different, on the other hand, is the procedure with taxes upon consumers' goods of secondary importance . . . ," etc. (pp. 39 ff.). Nevertheless, this does not solve the difficulty, which finds its parallel in the attempt to differentiate between what are necessities and what are luxuries.

The mark of commendation of the Royal Academy of Sciences of Turin makes this essay worthy of more than a passing notice, but a minute analysis of the thesis is without the scope of a brief review.

Sociology in Its Psychological Aspects. By CHARLES A. ELLWOOD.
New York: D. Appleton & Co., 1912. 8vo, pp. xiv+417. \$2.50 net.

The title of this book is in itself suggestive. First, is the science of sociology to be founded on psychology merely? Second, what relation does the author's theory of society bear to social psychology? The work does not leave us in doubt regarding either query. Sociology is dependent for its subject-matter, according to Professor Ellwood, on biology as well as on psychology. Nevertheless the biological basis for the social process is here neglected because the "biological factors find their expression in the social life mainly through the psychological factors." This is but a half-truth, judged from the book itself, for the overemphasis of the psychological and the omission of the biological factors fail to present a complete system of synthetic sociology.

The author does not hesitate to identify his subject-matter with social psychology but prefers to call it psychological sociology. His psychological viewpoint is that of the eminent functional psychologists, Dewey, McDougall,